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November 14, 2013

**By Email – tkellett@hrkllc.com
and United States Mail**

Mr. Timothy Kellett
Horas, Radice & Kellett, LLC
911 Washington Avenue, Suite 400
St. Louis, Missouri 63101

In re: Philadelphia Consolidated Holding Corp. v. LSI-Lowery Systems, Inc.

Dear Mr. Kellett,

As you are aware, the United States District Court for the Eastern District of Missouri recently entered a Judgment for Philadelphia Insurance Companies. I have enclosed the Judgment and Memorandum and Order for your files.

Based on the Court's Judgment, the Philadelphia policies issued to LSI, bearing Policy No. PHSD319209 and Policy No. PHSD250284, do not afford coverage for Hodell-Natco's lawsuit filed against LSI Lowery Systems, Inc. The Court explicitly ruled that Philadelphia is not obligated to indemnify or defend LSI for this claim.

Therefore, Philadelphia is now declining coverage for both the defense and indemnification of all claims involved in the Hodell-Natco lawsuit, including all cross-claims, against LSI. As a courtesy, Philadelphia will continue to provide LSI counsel through thirty days from the date of this letter. This will allow LSI time to find replacement counsel. Should LSI choose to retain Mr. Hulme, who is currently representing LSI in the Hodell-Natco lawsuit, LSI will be solely responsible for all attorney fees and expenses incurred after that date.

While Philadelphia will temporarily provide LSI a defense to accommodate a transition to new counsel, this should not be construed as controlling the defense of LSI's claim. Should LSI wish to move the defense of the Hodell-Natco lawsuit to private

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EXHIBIT B

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counsel at an earlier date, it should feel free to do so. Moreover, any settlement offers we receive from the date of this letter will be forwarded to you for LSI's consideration until you inform us of the identity of LSI's new counsel in the Hodell-Natco matter.

Thank you for your attention and cooperation in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Steven Schwartz", written in a cursive style.

Steven H. Schwartz

SHS:TMY:11445116

Enclosures

cc: Mr. Roy Hulme

Philadelphia Insurance Companies
Attn: Mr. John Magee
Ms. Mary Ann Mahler-Kennedy